

Background

2. On April 2, 2013, the Agent filed its Motion to Allow, seeking, among other things, a Termination Premium of \$1,500,000, interest, and attorneys' fees (the "Claim") [Docket No. 176]. The Agent filed a proof of claim against each of the Debtors concurrently with the filing of the Motion to Allow [Claim Nos. 148-157].

3. As set forth in the Motion to Allow, the Agent has set the Debtors' Objection Deadline for April 16, 2013 at 4:00 p.m. (prevailing Eastern Time).

4. Also in the Motion to Allow, the Agent noticed the Claim Hearing for April 25, 2013 at 10:00 a.m. (prevailing Eastern Time). The hearing to consider confirmation of the Debtors' Joint Chapter 11 Plan of Reorganization of Geokinetics Inc. et al., (the "Plan") is scheduled for the same date and the same time (the "Confirmation Hearing").

Relief Requested

5. The Debtors respectfully request that the Court adjourn (a) the Claim Hearing until a date not sooner than four weeks following the Ordered Mediation (as defined below) and (b) the Objection Deadline until an agreed upon date after the Ordered Mediation and before the Claim Hearing.

6. The Debtors also request that the Court order the parties to mediate the Claim during the week of May 13, 2013 or as soon as practicable thereafter (the "Ordered Mediation").

7. Counsel for the Debtors conferred with counsel for the Agent on the morning of Monday, April 8, 2013 and again on Tuesday, April 9, 2013 regarding the relief requested in the Motions to Adjourn and to Order Mediation. The parties were unable to reach agreement, leaving the Debtors with no choice but to seek relief from the Court. Given the fast

approaching Objection Deadline, the Debtors request that the Court hold a telephonic hearing on an expedited basis to consider the Motions to Adjourn and to Order Mediation.

A. Motion to Adjourn

8. The Debtors request that the Claim be resolved post-confirmation. The requested adjournment is necessary to allow the Debtors' management to focus on the fast-approaching Confirmation Hearing, allow sufficient time for discovery, and provide time for the parties to attempt to resolve the dispute.

9. At the First Day Hearing, the Agent's counsel described the dispute regarding the Agent's Claim as a "legal issue" and "not an evidentiary issue."² Based on recent conversations with the Agent's counsel, the Agent now contends that it will need to conduct extensive fact and expert discovery on the Debtors' Objection in advance of the Claim Hearing. Late last night, the Agent served the Debtors with requests for production of documents, interrogatories, and a corporate representative deposition notice. While the Debtors intend to cooperate on all aspects of the Agent's reasonable and relevant discovery requests, the Debtors are concerned about the scope of the Agent's requested discovery. For example, the Agent's discovery requests appear to seek information that is protected from disclosure by various privileges, including but not limited to communications that the Debtors contend are protected by a common interest and/or joint defense privilege. Additionally, the Debtors are concerned about the topics on which the Agent seeks to depose the Debtors' corporate representative. As a result, the discovery process will require more time than allotted by the current schedule as the parties work to amicably resolve all discovery issues and seek the Court's assistance with discovery disputes as necessary.

² See March 12, 2013 Hearing Transcript, 45:4-5, excerpt attached hereto as Exhibit "A."

10. Given both the likelihood of a protracted and potentially difficult discovery process and the Debtors' need to focus on the preparation required for the Confirmation Hearing, the Debtors should not be required at this time to devote the significant time and effort required to respond to Agent's discovery requests, prepare for and comply with the Objection Deadline, and prepare for and conduct the Claim Hearing. The Debtors are currently preparing for the Confirmation Hearing, which is less than three weeks away. In that short time, the Debtors need to (a) finalize the plan supplement, (b) finalize the proposed confirmation order, (c) prepare the brief in support of approval of the disclosure statement, solicitation process and confirmation of the plan, (d) review, analyze and address any objections to the solicitation process, the adequacy of the disclosure related to the Plan, and Plan confirmation, (e) prepare evidence to be presented at the Confirmation Hearing, (f) prepare the Debtors' management for the Confirmation Hearing, and (g) make all organizational preparations necessary to exit that chapter 11 process. The Debtors and their management team need to devote their attention, time, and resources to the Confirmation Hearing at this stage in the bankruptcy.

11. Just like other claims, the Agent's claim should be handled in accordance with the Procedures for Resolving Contingent, Unliquidated, and Disputed Claims (the "Claims Resolution Procedures") set forth in the Plan. Among other things, the Claims Resolution Procedures provide that disputed claims – like the Agent's claim – are to be taken up *after* the confirmation of the Plan.

12. Finally, there is likely not enough time on April 25, 2013 for the Court to handle all of the issues for the Confirmation Hearing as well as those related to the Claim Hearing. The Agent's counsel has estimated that it will need a minimum of three hours to

present its arguments and evidence in support of the Motion to Allow. The Debtors will likely need a minimum of three hours to present their arguments and evidence in support of their Objection. This very optimistic estimate does not include the time it will take to address the confirmation of the Plan and other matters currently scheduled for April 25, 2013. Conducting the Claim Hearing on the same date as the Confirmation Hearing as well as any other matters that need to be taken up on that day will not allow sufficient time for the contested evidentiary presentations and legal arguments on the Motion to Allow.

B. Motion to Order Mediation

13. In addition to the adjournment, the Debtors believe the parties would benefit from Ordered Mediation. Even though formal discovery has not occurred, the parties began discussing the various aspects of the Agent's Claim, and it is very possible the parties could amicably resolve the Claim with the assistance of a mediator.

14. Further, in light of the relatively small amount at issue, the parties should avoid devoting significant time to this dispute if possible. This is especially true since the Debtors will be responsible for their own fees and expenses as well as the fees and expenses incurred by both the Agent and the Noteholders.³ It would be inefficient and premature to devote time and resources to discovery efforts, preparation of an Objection, and preparation for the Claim Hearing.

15. In an attempt to resolve the Claim and limit the expenses associated with litigating the Claim, the Debtors would propose the following mediation schedule:

- (a) No later than Wednesday, May 1, 2013: The parties will attempt to agree upon a mediator.

³ See Final DIP Order [Docket No. 177], at §§ 11(c), 12(c).

(b) No later than Thursday, May 2, 2013: If the parties are unable to agree to a mediator, the parties will advise the Court by this date so that the Court can appoint a mediator as soon as practicable.

(c) No later than Friday, May 3, 2013: The parties will exchange mediation statements providing the basis for their claims or objections and will deliver such mediation statements to the mediator.

(d) Week of May 13, 2013:⁴ The parties will submit to and participate in a mediation to resolve the Agent's Claim during this week or as soon as practicable thereafter.

16. Only if the mediation is unsuccessful should the parties then enter into a scheduling order that resets discovery deadlines and the Objection Deadline and schedules the Claim Hearing. The expense associated with producing documents, engaging experts, deposing multiple witnesses, and otherwise preparing for the Claim Hearing is too great, especially for the Debtors, to embark on that process before the Ordered Mediation. For the parties to get the biggest benefit from the mediation, the litigation expenses should be deferred until absolutely necessary.

17. The Motion to Adjourn and the Motion to Order Mediation are not sought for delay but so that justice can be done. The Agent would not be harmed by the short delay requested by the Debtors as the Agent's claim is accruing interest. By contrast, the Debtors would likely be harmed and prejudiced by being forced to: (a) engage in a significantly compacted yet expansive discovery process; (b) substantively respond to the Motion to Allow by

⁴ This deadline would be subject to the availability of the mediator, authorized representatives of the parties, and counsel for the parties.

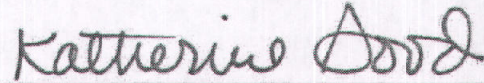
the Objection Deadline; and (c) prepare for and conduct an evidentiary hearing at the Claim Hearing to be conducted on the same day as the Confirmation Hearing.

Notice

18. No trustee, examiner, or creditors' committee has been appointed in the Debtors' Chapter 11 Cases. The Debtors have provided notice of this Motion to (a) the Office of the United States Trustee for the District of Delaware; (b) the entities listed on the Consolidated List of Creditors Holding the 30 Largest Unsecured Claims filed pursuant to Bankruptcy Rule 1007(d); (c) counsel to the agents under the Debtors' pre-petition credit facilities; (d) Fried, Frank, Harris, Shriver & Jacobson LLP, as counsel to the Consenting Noteholders, Attn: Jennifer Rodburg, Esq. and Richard Slivinski, Esq.; (e) Pachulski Stang Ziehl & Jones, as local counsel to the Consenting Noteholders, Attn: Laura Davis Jones, Esq.; (f) the holders of Pre-petition Primed Liens, to the extent known; (g) the United States Securities and Exchange Commission; (h) the United States Internal Revenue Service; and (i) any party that may have a particular interest in this Motion. In light of the nature of the relief requested in this Motion, the Debtors respectfully submit that no further notice is necessary.

WHEREFORE, the Debtors respectfully request that the Court (1) adjourn both the Objection Deadline and Claim Hearing until after the Ordered Mediation, (2) order that the parties mediate the Agent's Claim after the Confirmation Hearing, and (3) grant such other and further relief as is just and proper.

Date: April 9, 2013
Wilmington, Delaware



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IN POSSESSION**

1 UNITED STATES BANKRUPTCY COURT

2 DISTRICT OF DELAWARE

3 Case No. 13-10472 (KJC)

4 - - - - - x

5 In the Matter of:

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7 GEOKINETICS, INC.,

8

9 Debtor.

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13 United States Bankruptcy Court

14 824 North Market Street

15 Wilmington, Delaware

16

17 March 12, 2013

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1:02 PM

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21 B E F O R E :

22 HON KEVIN J. CAREY

23 U.S. BANKRUPTCY JUDGE

24

25 ECR OPERATOR: AL LUGANO

1 HEARING re Debtor's Motion for Joint Administration of Their
2 Cases for Procedural Purposes Only

3

4 HEARING re Debtor's Employee Wages and Benefits Motion

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6 HEARING re Debtor's Motion for an Interim Order Determining
7 Adequate Assurance of Payment for Future Utility Services

8

9 HEARING re Debtor's Motion for Authorization to Pay Certain
10 Taxes

11

12 HEARING re Debtor's Motion to Continue Insurance Coverage
13 and Maintain Funding for the Insurance Broker

14

15 HEARING re Debtor's Request to Seek an Interim and Final
16 Order Establishing Notification and Hearing Procedures with
17 Respect to the Transfer of or Claims for Worthlessness with
18 Respect to Certain Equity Security Interests

19

20 HEARING re Debtor's Motion for entry of an Order Extending
21 Time to File Statements of Financial Affairs

22

23 HEARING re Critical Vendor's Motion

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25 HEARIN re Critical Foreign Vendor's Motion

1 HEARING re Shipper's and Warehouse Motion

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3 HEARING re Debtor's Motion for Authorization to Prepare a
4 single List of Creditors

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6 HEARING re Debtor's Request to Establish a Bar Date

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8 HEARING re Debtor's Motion for an Order Authorizing but not
9 Directing the Debtors to Redact Portions of Their Schedules
10 and Statements and to File Portions of Their List of
11 Creditors and Other Pleadings and Document Under Seal to
12 Protect Confidential Commercial Information

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14 HEARING re Debtor's Motion for Authority to Continue Use of
15 the Existing Cash Management System as Modified

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17 HEARING re Debtor's Motion for Interim and Final Post-
18 Petition Financing for Authority to Use Cash Collateral

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20 HEARING re Debtor's Application for Entry of an Order
21 Appointing GSG as Claims and Noticing Agent Pursuant to 28
22 U.S.C. 156, Bankruptcy Code § 105(a), and Local Bankruptcy
23 Rule 2002

24

25 HEARING re Debtor's Request for Entry or an Order Scheduling

1 a Combined Hearing to Approve the Adequacy of the Disclosure
2 Statement and Confirmation of the Plan and the Adequacy of
3 our Prepetition Solicitation Procedures, Setting Deadlines
4 Related to these Procedures for Objecting to the Adequacy of
5 the Disclosure Statement, Confirmation of the Plan, and the
6 Prepetition Solicitation Procedures, Approving the Form and
7 Notice and Manner of the Combined Hearing and the
8 Commencement of the Cases, and Directing the Office of the
9 U.S. Trustee Not to Convene a Meeting of Creditors and
10 Equity Holders

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1 cause a rapid decline in the debtor's business.

2 In connection with the negotiation of the order,
3 Your Honor, it became apparent that the debtor's prepetition
4 credit agent would like to make a reservation of rights with
5 respect to their ability to assert certain claims.

6 As you may or may not have noted in the order we
7 have provided -- the debtors have stipulated to the amount
8 of the claim of both the noteholders and the credit -- the
9 revolving credit lenders as of the petition date. And I
10 believe that Mr. Stark wanted to make a reservation with
11 respect to --

12 MR. STARK: Good afternoon, Your Honor, Robert
13 Stark from Brown Rudnick on behalf of White Box Advisor, the
14 agent for the prepetition revolving facility.

15 I was intending actually to do this in connection
16 with the plan procedures, but I can do it now if it pleases
17 the Court.

18 We had a disagreement with the debtor and the
19 other parties, the backstop parties, in connection with the
20 funding of the plan about the calculation of our claim.
21 There's attributes of our claim that we think is -- enables
22 a larger claim amount of repayment right and is otherwise
23 reserved under the specific terms of the plan.

24 It's not really an issue so to speak for the
25 financing, it's an issue to be dealt with at plan time or

1 before. And as I was chatting with Ms. Schultz and others
2 before the hearing I think we'll be able to come up with a
3 procedure specific to Your Honor's preferences for us to
4 have that issue resolved. It's not an evidentiary issue,
5 it's a legal issue, and we'll present it to Your Honor
6 expeditiously before or at confirmation and deal with it
7 then.

8 But I think once Your Honor hears the argument
9 you'll determine what we do if the plan provides for a
10 determination of that and the issue will be resolved, but
11 not necessarily in connection with financing.

12 THE COURT: All right, thank you.

13 Mr. Stark, you've been here so much lately should
14 we just give you your own chair somewhere?

15 MR. STARK: Your Honor, it's an honor that you
16 keep signing pro hacs. Thank you.

17 (Laughter)

18 MS. SCHULTZ: Your Honor, with that the debtors
19 would respectfully request that you enter an order approving
20 their use of cash collateral in their DIP on an interim
21 basis.

22 THE COURT: The financing documents were
23 extensive, and I pawed my way through them, but I was unable
24 to locate the fee letter for the DIP facility.

25 MS. SCHULTZ: Counsel to the -- counsel to the DIP

C E R T I F I C A T I O N

I, Dawn South, certify that the foregoing transcript is a true and accurate record of the proceedings.

AAERT Certified Electronic Transcriber CET**D-408

Veritext

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Date: March 13, 2013